



Income Tax Update

News and developments for tax practitioners

A publication of the Income, Sales and Special Taxes Division

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Tax Commissioner

Passthrough withholding requirement delayed until 2006 tax year

In the June 2005 edition of this newsletter, we informed readers about legislation requiring a partnership, S corporation, trust, or limited liability company treated like a partnership to withhold income tax from the year-end distributive share of income of its individual owners or beneficiaries who are nonresidents of North Dakota. For this purpose, a publicly traded partnership as defined under Internal Revenue Code § 7704(b) is not subject to this requirement. The following frequently asked questions and their answers address how this new requirement will be implemented by our office and what you must do to comply with it.

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Question: Does this new requirement apply to a passthrough entity's 2005 taxable year?

No. The new income tax withholding requirement does not apply to a passthrough entity's taxable year beginning on or after January 1, 2005, and before January 1, 2006. Although the legislation provides that the new requirement applies to taxable years beginning after December 31, 2004, the tax commissioner determined that the timing of the legislation's enactment and the constitutionally-defined effective date of August 1, 2005, would create a burden for passthrough entities to meet the new requirement with respect to their taxable years beginning in 2005.

Question: When will this new requirement be applied?

The new income tax withholding requirement will apply to a passthrough entity's taxable years beginning on or after January 1, 2006. As a practical matter, this means that the first reporting and payment of withheld income tax will not be required until the end of a passthrough entity's 2006 taxable year.

Question: How will the passthrough entity report and pay the withholding? The Office of State Tax Commissioner anticipates incorporating the new passthrough entity income tax withholding provisions into the partnership, S corporation, and fiduciary income tax returns as part of a major revision of those forms for the 2006 taxable year. The income tax required to be withheld on the distributive shares of North Dakota income will be calculated on the applicable return, and the payment of the withheld income tax will be submitted with the return when it is filed. The major revision of the partnership, S corporation, and fiduciary income tax returns for 2006 will include the creation of a state passthrough member schedule, analogous to the federal Schedule K-1, that the passthrough entity must provide to each of its owners or beneficiaries. Any income tax withheld by the passthrough entity would be reported to a nonresident individual owner or beneficiary on this schedule.




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"The residency status of an individual will be assumed to be full-year resident unless Sch. ND-1NR or Sch. 3 is completed and attached to the return."

Question: Can a passthrough entity avoid the withholding requirement altogether by filing a composite individual income tax return on behalf of all of its nonresident individual owners or beneficiaries? Yes, provided all of the nonresident individual owners or beneficiaries are eligible to be included in the composite return, and all of them elect to be included in it. To be eligible for inclusion in a composite individual income tax return, the nonresident individual owner or beneficiary must not have any other income from North Dakota sources except the distributive share of income from one or more passthrough entities doing business in North Dakota. For more information about composite filing, see the *Income Tax Guideline: Composite Filing Method*, which is available on our web site at www.nd.gov/tax.

Question: When will more details be available on this new withholding requirement? The Office of State Tax Commissioner is currently involved in a major two-year project to install and implement a new integrated computer tax system. The planned overhaul of the partnership, S corporation, and fiduciary income tax returns to incorporate the new passthrough income tax withholding provisions must be coordinated with this project, and the procedural details for the new withholding requirement will be dependent on that process. More complete details on the conditions and procedures applicable to the new passthrough income tax withholding requirement will most likely not be available until the summer of 2006. Significant developments that you need to know about will be posted to our website, so check our website often to stay informed. The Office of State Tax Commissioner will also provide the complete and final details to passthrough entities and tax professionals by way of special mailings, newsletters, and the instructions to the 2006 partnership, S corporation, and fiduciary income tax returns. 

Residency status check-off removed from individual income tax forms


The residency status check-off—indicating full-year resident, full-year nonresident, or part-year resident—has been removed from the front of the 2005 Form ND-1 and 2005 Form ND-2. The residency status of an individual will be assumed to be full-year resident unless Schedule ND-1NR (in the case of Form ND-1) or Schedule 3 (in the case of Form ND-2) is completed and attached to the return. An individual who is a full-year nonresident or a part-year resident of North Dakota is required to complete and attach Schedule ND-1NR or Schedule 3, whichever applies, to the return.

Note: In the case of married individuals who file a joint federal income tax return and do not have the same residency status for the tax year, new filing procedures apply—see the next article for details. 

Filing procedure and tax calculation changed for joint filers having different states of residence

Schedule SF, Schedule For Joint Filers With Different States Of Residence, has been discontinued starting with the 2005 tax year. A change in North Dakota income tax law has made the form obsolete. For tax years beginning on or after January 1, 2005, all married individuals who file a joint federal income tax return must file a joint North Dakota income tax return, even if they have different residency statuses. In the case of joint filers where either spouse is a nonresident of North Dakota for part or all of the tax year, the following new filing procedure and tax calculation apply:

- If Form ND-1 is used, Schedule ND-1NR must be completed on a joint basis and attached to the return. The top portion of page 1 of Schedule ND-1NR must be completed to show the residency information for each of the spouses. The tax calculated on Schedule ND-1NR is the joint North Dakota income tax for the tax year.


- If Form ND-2 is used, Schedule 3 must be completed on a joint basis and attached to the return. The top portion of page 1 of Schedule 3 must be completed to show the residency information for each of the spouses. The North Dakota taxable income calculated on Schedule 3 is the joint North Dakota taxable income for the tax year, which must be entered on line 1 of the Tax Computation Schedule (Form ND-2). 

New automatic 6-month federal extension is recognized by North Dakota

North Dakota income tax law authorizes the tax commissioner to grant an extension of time to file an income tax return if there is good cause. It has been long-standing administrative policy that good cause exists to recognize a federal extension of time to file as applying to the filing of a North Dakota income tax return. North Dakota's reliance on information from the federal return as the starting point in calculating the state income tax is the basis for the policy. This policy will not change with respect to the IRS's move from an automatic 4-month extension to an automatic 6-month extension for the 2005 tax year.

Procedure in case of federal extension—Keep in mind that if a federal extension is obtained, neither the taxpayer nor the taxpayer's paid preparer has to notify the Office of State Tax Commissioner that a federal extension was obtained. All that is required is that when the North Dakota return is filed, a copy of the federal extension form must be attached to the North Dakota return. If the federal extension is obtained using the IRS's phone, computer, or credit card payment option, attach a copy of a completed Form 4868 showing the confirmation number received from the IRS, or print out a copy of the IRS's acknowledgment and attach it to the return. In the case of the automatic 2-month extension allowed to a U.S. citizen or resident for being outside the United States and Puerto Rico on the regular due date of the federal return, attach a copy of the statement that the IRS requires to be attached to the federal return.

Avoiding payment of extension interest charges—If the North Dakota return is filed on or before the extended due date, and any tax due on the return is fully paid with the return, no penalty will be charged. However, interest on the tax due will be charged at the rate of 12% per year. Interest is charged from the original due date of the return to the date the return is filed or the extended due date, whichever is earlier. Payment of this interest can be avoided by prepaying the tax by the regular due date of the return. To prepay the tax expected to be owed, submit a check or money order with Form 400-EXT (if an individual), Form 401-EXT (if an estate or trust), or Form 40-EXT (if a corporation). The payment must be postmarked by the regular due date of the return. To obtain the payment form, go to our web site at www.nd.gov/tax and click on "Misc Forms/Pubs" at the top of the page, or call us at (701) 328-3450.

Exception for Form 35 filers—In the case of a financial institution that files Form 35, an extension of time to file does not extend the time to pay the state general fund portion of the tax due on the return. The financial institution must remit this tax along with Form 35PV on or before April 15 of the year in which Form 35 is due. 


Number of North Dakota renaissance zone cities continues to grow

The number of North Dakota cities establishing a renaissance zone continues to grow. Following is a list of the twenty-six cities with an approved renaissance zone along with their contact persons. Whether you or a client have general questions about a particular zone or are interested in purchasing, rehabilitating or leasing real property in a zone, these are the individuals to contact.

"All that is required is that when the North Dakota return is filed, a copy of the federal extension form must be attached to the North Dakota return."

"The 2005 North Dakota Legislature revisited the [seed capital tax credit program] and made changes to it to extend it, expand its availability to all tax entities, and adjust several of its limitation provisions."

Renaissance zone city contact persons

Renaissance Zone City	Contact Person	Phone
Beach	Kimberly Nunberg	(701) 872-4103
Bismarck	Kim Lee	(701) 222-6447
Bottineau	Karla Harmel	(701) 776-6181
Buffalo	Randy Mundt	(701) 633-5106
Carrington	Nikki Mertz	(701) 652-3919
Casselton	Bernie Sinner	(701) 347-4540
Crosby	David Olson	(701) 965-6006
Devils Lake	Gary Martinson	(701) 662-7607
Dickinson	Greg Sund	(701) 456-7744
Fargo	Bob Stein	(701) 476-6688
Grand Forks	Merideth Richards	(701) 746-2545
Hankinson	Gary Nelson	(701) 242-7885
Harvey	Kim Moen	(701) 324-2000
Hazen	Duke Rosendahl	(701) 748-6886
Jamestown	Jeff Fuchs	(701) 252-5900
Langdon	Tina Gustafson	(701) 256-2155
Lisbon	Bruce Fadness	(701) 683-4909
Mandan	Jim Neubauer	(701) 667-3214
Milnor	Jerome Brekke	(701) 427-9371
Minot	Donna Bye	(701) 857-4100
Northwood	Marcy Douglas	(701) 587-5370 ext. 11
Rugby	Penny Northdahl	(701) 228-3232
Valley City	Kerwin Kostad	(701) 845-1700
	Doreen Saylor	(701) 845-5280
Wahpeton	Jane Priebe	(701) 642-8559
Watford City	Rick Jore	(701) 842-2533
West Fargo	Dorinda Anderson	(701) 282-3837 

Seed capital tax credit program is continued and expanded, and includes retroactive relief for some

Prior to 2005, there was a \$2.5 million ceiling on the amount of income tax credits allowed under the seed capital investment tax credit program. That ceiling was reached in early 2004, resulting in a large number of investors being denied part or all of the credit on their investments made in 2004 on or after the date the ceiling was reached. The 2005 North Dakota Legislature revisited the program and made changes to it to extend it, expand its availability to all tax entities, and adjust several of its limitation provisions. In addition, additional tax credits were authorized on a retroactive basis for those investors who were denied part or all of the credit on their 2004 investments because of the \$2.5 million credit ceiling.

The following changes were made to the program:


- Eligibility for the tax credit was expanded to include a corporation and a passthrough entity such as an S corporation or a limited liability company (treated like a partnership).
- The \$5,000 minimum investment requirement was removed.
- Investment monies placed in escrow are not eligible for the credit until they are paid out of escrow to the business. This change is important to start-up businesses.
- For a business certified as a qualified business after December 31, 2004, the credit is limited to the first \$500,000 invested by all taxpayers in the business. This is a lifetime limit.
- For investments made after December 31, 2004, the maximum amount of tax credits allowed to all investors is limited to \$2.5 million per calendar year.

Retroactive tax credit—The 2005 legislature authorized a tax credit on a retroactive basis for those investments made in 2004 for which the tax credit was not allowed because of the \$2.5 million ceiling on tax credits. Taxpayers eligible for the retroactive tax credit were notified in October 2005 by our office of their eligibility in a special mailing. Only individuals, estates, and trusts are eligible for the retroactive tax credit. Included in that mailing was a separate Notice Of Retroactive Seed Capital Investment Tax Credit For 2004 that must be attached to the income tax return to support the claimed credit. The retroactive tax credit is equal to:

- 45 percent of the eligible investment, if the investment was made in a qualified business other than an agricultural commodity processing facility, or
- 30 percent of the eligible investment, if the investment was made in an agricultural commodity processing facility.

For this purpose, the eligible investment is equal to the total amount invested in all qualified businesses during calendar year 2004, up to a maximum amount of \$250,000 per taxpayer. This amount is reduced by any investment made in calendar year 2004 for which the tax credit was previously allowed. No credit is allowed if the total amount invested in calendar year 2004 was less than \$5,000. In addition, the following conditions apply to the retroactive tax credit:

- The retroactive tax credit must be claimed first on the 2004 North Dakota income tax return. Unless there is no income tax for 2004 to apply the credit against, an amended 2004 North Dakota income tax return must be filed to claim the retroactive tax credit.
- No more than one-fourth of the retroactive tax credit may be claimed in any tax year.
- The portion of the retroactive tax credit not allowed or used on the 2004 North Dakota income tax return may be carried forward five tax years (2005 through 2009).

See the inset for how to coordinate the calculation of the retroactive tax credit with a seed capital tax credit claimed previously. 

TAX PREPARATION TIP

Working with retroactive seed capital tax credit

If a taxpayer already claimed a seed capital investment tax credit in 2004, it will be necessary to separately calculate the amount of the retroactive tax credit to claim on the return. If the total of the original tax credit and the retroactive tax credit that is allowed to be claimed exceeds the tax for 2004, apply or use up the original tax credit and the retroactive tax credit in the order that is most advantageous. This is illustrated below:

	Original tax credit	Retroactive tax credit
#1 investment (original)	\$10,000	
#2 investment (retroactive)		\$20,000
Tax credit rate	x .45	x .45
Credit	\$4,500	\$9,000
	÷ 3	÷ 4
Annual limit on credit	\$1,500	\$2,250
2004 tax year—		
Tax (before credits)	\$2,000	
Credit used	(2,000)	(1,500)
Net tax liability	\$0	(500)
Credit carryover to 2005	\$3,000	\$8,500

New Schedule PG created for individuals eligible for the planned gift tax credit

A new income tax credit is available to an individual for making a planned gift to a North Dakota qualified nonprofit organization. The new credit is calculated on Schedule PG, Planned Gift Tax Credit, a new supplemental schedule to Form ND-1 and Form ND-2. Individuals eligible for the new planned gift income tax credit must complete and attach the schedule to their return. The schedule has the following three parts:

- Identification of the North Dakota qualified nonprofit organization to which the contribution is made and the type of planned gift method used to make the contribution.
- Calculation of the tax credit, the maximum amount of which is \$5,000.
- Calculation of the amount, if any, of the amount that must be added back into federal taxable income.

A “North Dakota qualified nonprofit organization” means an organization that:

1. Is incorporated in North Dakota, or has an established business presence or situs in North Dakota,
2. Is tax-exempt under I.R.C. § 501(c), **AND**
3. Is a charitable donee organization as defined under I.R.C. § 170.


A “planned gift” is a gift that qualifies as a charitable contribution for federal income tax purposes and, subject to certain additional state law requirements, is made using one of the following gifting methods:

- **Charitable remainder unitrust (CRUT)**—Under this method, a donor transfers assets to a trust in return for an income payout based on a percentage of the assets which are revalued each year. The donor is allowed a charitable income tax deduction for the present value of the transferred assets that will pass to a charitable organization at the donor’s death or the end of the trust term. To qualify for the North Dakota planned gift tax credit, the trust agreement must contain a provision stating that the trust may not terminate, nor may the beneficiary’s interest in the trust be given to the North Dakota qualified nonprofit organization, before the earlier of (1) the date of death of the beneficiary or (2) the date that is five years after the date of the contribution.
- **Charitable remainder annuity trust (CRAT)**—This method is similar to the charitable remainder unitrust method except that the income payout is based on a percentage of the assets at the time of the transfer. The additional conditions for state purposes also apply to this method.
- **Pooled income fund trust**—Under this method, a donor transfers assets to a common trust fund (to which other donors also contribute) in return for a proportionate share of the income earned on the assets. A donor is allowed a charitable income tax deduction for the present value of the transferred assets that will pass to a charitable organization at the donor’s death.
- **Charitable lead unitrust (CLUT)**—Under this method, a donor transfers assets to a trust and the income earned on the assets is paid to a charitable organization over a term of years or until the donor’s death. The income payout is based on a percentage of the assets which are revalued each year. If a donor sets up a grantor-type charitable lead unitrust (that is, the donor is treated as the owner of the trust), the donor is allowed a charitable income tax deduction for the present value of the income payout to the charitable organization. If a non-grantor charitable lead unitrust is set up, the donor is not allowed a charitable income tax deduction.
- **Charitable lead annuity trust (CLAT)**—This method is similar to the charitable lead unitrust method except that the income payout is based on a percentage of the assets at the time of the transfer.
- **Charitable gift annuity**—Under this method, a donor and a charitable organization enter into a contract under which the donor transfers assets to the charitable organization in return for the organization’s payment of a lifetime annuity. The donor is allowed a charitable income tax deduction for the excess of the transferred assets’ value over the present value of the lifetime annuity. To qualify for the North Dakota planned gift tax credit, the annuity must be a qualified charitable gift annuity as defined for federal income tax purposes and the annuity contract must contain a provision that states the annuitant’s interest in the gift annuity may not be assigned to the North Dakota qualified nonprofit organization before the earlier of (1) the date of death of the annuitant or (2) the date that is five years after the date of the contribution.
- **Deferred charitable gift annuity**—This method is similar to the charitable gift annuity except that the annuity payments are deferred or delayed until a future date. The additional conditions for state purposes also apply to this method.
- **Charitable life estate agreement**—Under this method, a donor transfers title of a personal residence or farm to a charitable organization, but retains the right to possess and use the property for a term of years or the lifetime of the donor and/or another person. At the end of the term or the death of the donor and/or another person, the right to possess and use the property expires and the charitable organization takes full ownership of the property.


“If a non-grantor charitable lead unitrust is set up, the donor is not allowed a charitable income tax deduction.”

- **Donation of a paid-up life insurance policy**—Under this method, a donor transfers a life insurance policy to a charitable organization. The policy must be a paid-up policy, which means that no more premiums are due in the future, and the transfer must qualify as charitable contribution under I.R.C. § 170.


Calculation of tax credit — The credit is equal to 20 percent of the contribution, up to a maximum credit of \$5,000. An unused credit may be carried forward for two taxable years. The new Schedule PG contains a line on which to show the amount of the tax credit actually used for the current tax year. It is important that only the portion of the tax credit actually needed to reduce the tax liability is entered on that line. For example, if the total tax credit is \$1,000, but only \$400 is needed to reduce the tax liability to zero, \$400 should be shown as the amount of the tax credit actually used for the current tax year. The calculation of the amount of the unused tax credit that may be carried over to the next tax year depends on entering the correct amount of the tax credit actually used. See 2005 Form ND-1, line 24, or 2005 Form ND-2, Tax Computation Schedule, line 7.

Addback to federal taxable income — The amount of the contribution upon which the credit is computed must be added back to federal taxable income in computing North Dakota taxable income, but only to the extent that the contribution actually reduced federal taxable income. If an individual does not itemize deductions (that is, claims the standard deduction) for the tax year, an adjustment to taxable income does not have to be made. Because the amount of this adjustment to taxable income is calculated after the tax credit itself is calculated, it presents a hiccup in the flow of the preparation of Form ND-1 or Form ND-2—it may require going back to revise the calculation of North Dakota taxable income and the tax on it. See 2005 Form ND-1, line 4, or 2005 Form ND-2, Schedule 2, line 4, or 2005 Form ND-2, Schedule 3, line 12. 

Nonresident military personnel may be entitled to a refund for the 2001 and 2002 tax years

The law was changed to retroactively recognize the provisions of the Servicemembers Civil Relief Act of 2003 for the 2001 and 2002 tax years. The Act prohibits a state from using the military pay of a nonresident individual serving in the U.S. armed forces in the calculation of the state's income tax on any nonmilitary income of the nonresident (or the nonresident's spouse) taxable by the state. This federal law only affects Form ND-1. A claim for refund of an overpayment of tax attributable to this federal law for the 2001 and 2002 tax years may be filed within the time periods allowed by North Dakota income tax law. With respect to the 2001 tax year, if the regular time period for filing a claim for refund expired before August 1, 2005, the law change extended the time period for filing a claim for refund to April 15, 2006. 


New deduction allowed for donating human organ

A new individual income tax deduction is allowed for up to \$10,000 of the eligible costs attributable to the donation of a human organ by the taxpayer or the taxpayer's dependent. Eligible costs means (1) lost wages not compensated for by sick pay and (2) unreimbursed medical expenses that are incurred but not deducted in calculating federal taxable income. If the taxpayer does not itemize deductions, eligible medical expenses means all medical expenses that are incurred that would be deductible under federal income tax law had the taxpayer itemized. If the eligible costs are incurred in more than one tax year, they must be deducted in the tax year in which they are incurred, except that expenses incurred before January 1, 2005, are not eligible. Medical expenses are incurred when the medical care giving rise to the expense is actually provided, and not when the expenses are billed or paid. See 2005 Form ND-1, line 15, or 2005 Form ND-2, Schedule 2, line 22, or 2005 Form ND-2, Schedule 3, line 5. 

"Medical expenses are incurred when the medical care giving rise to the expense is actually provided, and not when the expenses are billed or paid."

"A member who volunteers for federal active duty is eligible for this deduction provided the member is issued mobilization orders."


Long-term capital gain exclusion now limited to North Dakota gains

The law was changed to provide that the 30 percent net long-term capital gain exclusion available on Form ND-1 is only allowed for a net long-term capital gain reportable to North Dakota. In the case of an individual who is a nonresident of North Dakota for part or all of the tax year, therefore, the exclusion is limited to a net long-term capital gain based on the capital gains and losses reportable to North Dakota. This new limitation will require part-year residents and full-year nonresidents to recalculate their net long-term capital gain using only the capital gains and losses reportable to North Dakota. This new limitation does not apply to full-year residents of North Dakota because they are required to report all gains and losses to North Dakota. See the worksheet on page 10 of the 2005 Form ND-1 instruction booklet. 


Two new biodiesel fuel income tax credits created

The first of two new income tax credits is allowed to a licensed supplier (wholesaler) of biodiesel fuel for blending biodiesel fuel having at least a 5 percent blend ("B5"). The credit is equal to 5 cents per gallon blended during the tax year. An unused credit may be carried forward for 5 tax years. See 2005 Form ND-1, line 25, or 2005 Form ND-2, Tax Computation Schedule, line 7, or 2005 Form 40, Schedule TC, line 13.

The second of the two new income tax credits is allowed to a licensed seller (retailer) of biodiesel fuel for adapting or adding equipment to a facility to enable it to sell diesel fuel containing at least a 2 percent blend ("B2"). The credit is equal to 10 percent of the cost to adapt or add the equipment. Except for costs incurred before January 1, 2005, eligible costs incurred before the tax year in which the eligible biodiesel fuel is first sold may be included. The credit is allowed in each of 5 tax years, starting with the tax year in which sales of the eligible biodiesel fuel begin. For each of the 5 initial tax years, the unused portion of the credit may be carried forward for 5 tax years. A taxpayer is allowed no more than \$50,000 of credits for all tax years. See 2005 Form ND-1, line 26, or 2005 Form ND-2, Tax Computation Schedule, line 7, or 2005 Form 40, Schedule TC, line 14.

Passthrough entities—If the supplier or seller is a partnership, S corporation, or other passthrough entity, either or both of these new income tax credits are passed through to the entity's owners according to their respective ownership interests in the entity. 


National Guard or Reserve member deduction is changed

The deduction currently allowed to a member of the National Guard or the U.S. armed forces reserve called to federal active duty was changed to provide that it is allowed only to a member who is "mobilized" under Title 10 of the U.S. Code. For this purpose, "mobilized" means the process by which the U.S. Department of Defense brings the U.S. armed forces and any of its reserve components to a state of readiness for war or other national emergency. A member who volunteers for federal active duty is eligible for this deduction provided the member is issued mobilization orders. See 2005 Form ND-1, line 13, or 2005 Form ND-2, Schedule 2, line 22, or 2005 Form ND-2, Schedule 3, line 5. 

Changes made to agricultural commodity processing facility tax credit program

The agricultural commodity processing facility investment tax credit law was changed as follows:


- Eligibility for the tax credit was expanded to include a corporation and a passthrough entity such as an S corporation or a limited liability company (treated like a partnership).

- The \$20,000 maximum eligible investment allowed per taxpayer per year was replaced with a \$50,000 maximum tax credit per taxpayer per year.
- A new ceiling of \$250,000 on the total tax credits allowed to a taxpayer for all tax years was created.
- The unused tax credit carryover period was reduced from 15 years to 5 years.
- Investment monies placed in escrow are not eligible for the credit until they are paid out of escrow to the business. This change is important to start-up businesses. 

Correction made to Schedule ND-1FA for 2002 through 2004 tax years

There is an error in the Schedule ND-1FA for 2002, 2003, and 2004 that may overstate the tax calculated on it. The error, relating to the amount of tax previously paid for a base year, only affects a full-year nonresident or part-year resident. The error is found on the following lines of each year's schedule:

- 2002 Schedule ND-1FA, line 21.
- 2003 Schedule ND-1FA, lines 20 and 21.
- 2004 Schedule ND-1FA, lines 19, 20, and 21.

In the last sentence of the instructions for each of the lines identified above, the instructions should state that the tax previously paid for the base year should be taken from Schedule ND-1NR, line 21, in the case of a full-year nonresident or part-year resident using Form ND-1. An amended return may be filed within three years after the original return was filed to claim a refund of an overpayment attributable to the error. Previous years' tax forms may be downloaded and printed from our web site at www.nd.gov/tax. 

Where to reach us if you have questions or need information...

	Phone	E-mail
Individual income tax.....	701-328-3450	individualtax@state.nd.us
Corporation income tax.....	701-328-2046	corptax@state.nd.us
Income tax withholding	701-328-3125	withhold@state.nd.us
Commissioner's office	701-328-2770	taxinfo@state.nd.us

Speech or hearing impaired
Call Relay ND..... 1-800-366-6888

Fax..... 701-328-1942

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"The error, relating to the amount of tax previously paid for a base year, only affects a full-year nonresident or part-year resident."



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